

The minutes presented herewith are not a verbatim transcription of the Regular Board meeting held May 20, 2014. The intent is to provide a synopsis of key points of discussion and to chronicle decisions and actions taken by a quorum of the Board of Directors (ref: Roberts Rules of Order, Section 48). For more information or background, please refer to the applicable board packet.

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
RINCON DEL DIABLO MUNICIPAL WATER DISTRICT
May 20, 2014**

A Regular meeting of the Board of Directors of the Rincon Del Diablo Municipal Water District was held on Tuesday, May 20, 2014 at 6:00 p.m. at the offices of the District located at 1920 North Iris Lane, Escondido, California 92026.

DIRECTORS PRESENT: Quist, Drake, Towne, Murtland, Draper

DIRECTORS ABSENT: None.

STAFF PRESENT/GUEST: Greg Thomas, General Manager; Thomas Butler, Board Secretary; Scott Heil, Legal Counsel, Redwine & Sherrill; Tish Berge, Director of Administration & Finance; Clint Baze, Director of Operations & Engineering; Randy Whitmann, Senior Engineer; Mike Lowry, Fire Chief, Escondido Fire Department; Herb Griffin, Escondido Fire Department; Annette Hubbell, Former Employee; Darlene Lynn, Former Employee; Kathey Blakely, Former Employee; Vicki Wing, Former Employee; Gerard Dutaut, Ratepayer.

President Quist called the meeting to order at 6:00 p.m. and welcomed guests. The Board of Directors recited the pledge of allegiance to the flag of the United States of America.

ADDITIONS TO AGENDA

There were none.

ORAL COMMUNICATIONS TO THE BOARD

Gerard Dutaut, a ratepayer of W. Citracado Parkway readdressed the Board of Directors from his previous appearance at the February 11, 2014 Board of Directors meeting. Mr. Dutaut showed the Board of Directors the rock that allegedly damaged his property and further explained the extent of the damage and that safety was his main concern. He requested that the Board of Directors reevaluate his previous submitted claim of February 11, 2014 and asked that he be granted the full amount requested.

The Board of Directors examined the rock that Mr. Dutaut claimed allegedly damaged his property and further inquired into the extent of the damage to his property. The Board of Directors readdressed Mr. Dutaut's previously submitted claim of February 11, 2014 and advised him that a decision to adjust the amount of the claim would be discussed with Staff and that he would be contacted once a decision was made.

President Quist moved item 4-E Annuitant Medical Benefits before consent items for consideration of time for guests. General Manager Greg Thomas provided an overview of the Annuitant Medical Benefits, as supported by the Board memo.

Annette Hubbell a former employee of Rincon Water addressed her concerns to the Board of Directors regarding the changes and policies of the Annuitant Medical Benefits as per the September 2013 Resolution No. 13.543.1. Items addressed by Ms. Hubble included background on why Rincon offered medical benefits, that these were vested rights, that changes were not well communicated by CalPERS or the District and concerns of further erosion in future benefits. Director Draper and other Directors asked questions related to the impact of the Resolution, as well as stated the District needs to be diligent in its fiscal responsibilities and controlling cost. Annette Hubbell then answered questions from the Board of Directors. President Quist solicited further comments from guests concerning the discussion of the Annuitant Medical Benefits. Darlene Lynn, a former employee of Rincon Water made comment in regards to the coverage of the medical benefits. General Manager Greg Thomas explained the CalPERS plans and requirements and the processes that are required to be followed by CalPERS. Annette Hubbell provided a different perspective on the CalPERS requirements, the government code and the provisions within the Resolution concerning Annuitant Medical Benefits.

President Quist further elaborated on the commitments to the retirees from Rincon Water and the notification procedures to the Annuitants. President Quist then asked approval from the Board of Directors to hold an Ad Hoc Committee in regards to the specifics of the Annuitant Medical Benefits, policies, plans and notification procedures.

In a motion by Director Towne, seconded by Director Murtland, and unanimously carried, the Board of Directors agreed that President Quist and Director Drake will facilitate discussions in regard to Annuitant Medical Benefits at the Ad Hoc Committee of Tuesday, May 27, 2014.

SECTION 1 - CONSENT ITEMS

The following items were pulled for discussion:

- 1-E Board of Directors Per Diem Fees and/or Expense Reports, April 2014

In a motion by Director Drake, seconded by Director Murtland, and unanimously carried, the Board of Directors passed the following consent items:

- 1-A Minutes of the Regular Board of Directors Meeting of April 8, 2014 and Minutes of the Special Board of Directors Meeting of April 22, 2014.
- 1-B General Funds Disbursements, April 2014.
- 1-C Investment Portfolio Report, March 2014.
- 1-D Financial Statements, March 2014.

In a motion by Director Drake, seconded by Director Draper, abstained by Director Murtland and opposed by Director Towne, by a vote of 3-1-1, the Board of Directors passed the following consent item:

The Per Diems were pulled to discuss a function performed/attended by one Director out of town.

- 1-E Board of Directors Per Diem Fees and/or Expense Reports, March 2014

SECTION 2 – FIRE SERVICES; EMERGENCY PREPAREDNESS & OPERATIONAL READINESS

- 2-A Oral Report by Escondido Fire Department Regarding Current Events and Community Fire Readiness Relating to Improvement District E.

Fire Chief Mike Lowry provided an update on the following:

- Provided a presentation and update regarding fires in San Diego County that took place between May 13th – 16th specifically the Cocos Fire that affected our District.
- First Responders appreciation day on Friday, May 23rd at Maple Street Plaza.
- City of San Marcos planning an appreciation event for First Responders at Mission Hills High School on Saturday, May 31st.
- Open house at Fire Station #4 on Saturday, June 14th regarding fire safety.

After the update, Chief Mike Lowry responded to questions of the Board.

General Manager Greg Thomas provided an update on Rincon Water and Fire District fire efforts, the establishment of the EOC, support provided to the firefighting efforts, and unfortunate information that 32 homes were lost in Rincon Water District.

SECTION 3 – PUBLIC INFORMATION & INTERGOVERNMENTAL RELATIONS

3-A Receive and File Minutes of the Public Information & Intergovernmental Relations (PIIGR) Committee Meeting of January 23, 2014.

The Board of Directors received and filed the minutes of the Public Information & Intergovernmental Relations (PIIGR) Committee Meeting of January 23, 2014.

Julia Escamilla, Public Services Information Officer provided an update of the upcoming June 14th open house event and the Be Water Smart poster contest winner and presentation at June Board meeting.

3-B Board of Directors Biographies for the District Website.

Board of Directors discussed how biographies will be updated in accordance with potential changes in committee positions. Additionally, the Board of Directors agreed that the PIIGR Committee will oversee the updates of Director biographies and that it will be brought before the July PIIGR Committee Meeting.

SECTION 4 – FINANCE, INSURANCE & PERSONNEL

4-A Receive and File Minutes of the Finance, Insurance and Personnel (FIP) Committee Meeting of February 13, 2014.

The Board of Directors received and filed the minutes of the Finance, Insurance and Personnel (FIP) Committee Meeting of February 13, 2014.

The Board of Directors discussed with legal counsel a more efficient and timely submission of the Finance, Insurance and Personnel (FIP) Committee minutes to facilitate an expedited approval and earlier review to be received and filed by the Board of Directors.

The Board of Directors agreed that the issue of timely submission of committee minutes will be discussed at the next regular Board of Directors Meeting of June 10th 2014.

4-B Approved Proposed Budget Adjustments for FY 2014-15.

General Manager Greg Thomas provided an overview of the proposed Budget Adjustments for FY 2014-15. After the update, General Manager Greg Thomas and staff answered questions from the Board of Directors.

President Quist requested an additional update from the Finance, Insurance and Personnel (FIP) Committee. Director Towne and Murland provided further clarification on their recommendations and understanding of the FY 2014-15 Budget Adjustments presented to the Regular Meeting of the Board of Directors. Director Draper had questions on why certain allocation and offsets were being made.

In a motion by the Finance, Insurance and Personnel (FIP) Committee, seconded by the Director Drake, and opposed by Director Draper, by a vote of 4-1, the Board of Directors passed the Approved Proposed Budget Adjustments for FY 2014-15.

4-C Public Employment Pension Reform Act (PEPRA) Update.

Tish Berge, Director of Administration and Finance provided an overview of the Public Employment Pension Reform Act (PEPRA) as per the Board Memo. After the update, Tish Berge answered questions of the Board of Directors.

In a motion by Director Towne, seconded by Director Drake, and unanimously carried, the Board of Directors approved the Public Employment Pension Reform Act (PEPRA) actions.

4-D Approve the Revision of Administrative Code Section 3700 Customer Service Policies.

Tish Berge, Director of Administration and Finance provided an update of the Revision of Administrative Code Section 3700, Customer Service Policies. After the update, Tish Berge, Director of Administration and Finance answered questions of the Board of Directors.

In a motion by the Finance, Insurance and Personnel (FIP) Committee, seconded by Director Murtland and unanimously carried, the Board of Directors passed Administrative Code Section 3700, Customer Service Policies.

4-E Annuitant Medical Benefits.

(This item was moved before consent items)

SECTION 5 – OPERATIONS; ENGINEERING & LONG-RANGE PLANNING

5-A Overview and Status Update on Capital Improvement Projects to include NSDWRC.

Randy Whitmann, Senior Engineer provided an overview and status update on Capital Improvement Projects to include Northern San Diego Water Reuse Coalition (NSDWRC) projects. After the update, Randy Whitmann and General Manager Greg Thomas answered questions of the Board of Directors.

- 5-B Final Approval for Palomar Medical Center, Escondido Research and Technology Center, ID-1 Service Area.

Randy Whitmann, Senior Engineer provided an overview of the Final Approval for Palomar Medical Center, Escondido Research and Technology Center, ID-1 Service Area. After the update, Randy Whitmann, Senior Engineer and General Manager Greg Thomas answered questions of the Board of Directors.

In a motion by Director Drake, seconded by Director Murtland, and unanimously carried, the Board of Directors agreed to the Final Approval for Palomar Medical Center, Escondido Research and Technology Center, ID-1 Service Area.

- 5-C Temporary Service Connection Agreement Request, Assessor's Parcel Number (APN) 235-190-23, Michael Upton and Mary Upton, One Residential Lot, 1746 Lorry Lane, ID-1 Service area.

In a motion by Director Drake, seconded by Director Towne, and unanimously carried, the Board of Directors approved the Temporary Service Connection Agreement Request, Assessor's Parcel Number (APN) 235-190-23, Michael Upton and Mary Upton, One Residential Lot, 1746 Lorry Lane, ID-1 Service area.

President Quist moved item 8-B(a)(b) Closed Session before SECTION 6 in the facilitation of telephonic conference with legal counsel:

- 8-B Closed Session
- a. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Paragraph (1) of subdivision (d) of Section 54956.9) Name of case: Dion v. Rincon del Diablo Municipal Water District, San Diego Superior Court Case No. 37-2013-00070999-CU-WT-NC
 - b. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One case.

The Board of Directors recessed to Closed Session at 8:25p.m. President Quist reconvened to Open Session at 9:15p.m. and legal counsel reported out with no reportable action.

SECTION 6 – SDCWA DIRECTOR'S REPORT & DIRECTORS/STAFF ACTIVITIES REPORT

- 6-A This portion of the agenda may be used by the San Diego County Water Authority representative to make informal reports on activities.

Director Murtland provided a summary of activities at the San Diego County Water Authority meeting including:

- Provided update on various SDCWA Committee meeting Agenda items.

6-B This portion of the agenda may be used by the Board of Directors or management to make informal oral reports on their activities.

Director Quist:

- ACWA Conference events

Director Drake:

- ACWA Conference events
- ACWA Energy Committee Update
- Legal Bases For Drought Actions Attorneys Meeting Update
- Earthquake briefing update

Director Towne:

- ACWA Conference events
- Social Media Outreach Committee Update
- Communications Committee Update
- Transfers Statewide Issues Forum Update

Director Murtland:

- ACWA Conference events
- Brown Act Laws

Director Draper:

- Social Media Outreach issues

6-C This portion of the agenda may be used by the Board of Directors to request items for future agendas.

Director Towne requested that the money that the District put into the California State University San Marcos (CSUSM) program regionally also be invested into an internship program if possible. President Quist approved this matter to be placed on upcoming Board Meeting Agenda.

6-D Request Approval for a Board Member(s) to Attend Upcoming Meetings; Conferences; or Seminars for Those Not Authorized in the District's Administrative Code, Section 502 "Authorized District Memberships."

Nothing to report.

6-E District Activities Report (DAR), April 2014.

The Board of Directors discussed future calendar events and agreed on the following dates for the below meetings:

- Board of Directors Meeting: Moved from Aug 12th to Aug 11th
- EPFS Committee: Moved from August 4th to August 11th
- FIP Committee: Moved from August 14th to August 21st

6-F Resolution No. 14-830.4, Appointment of Director James Murtland as Representative to the Board of Directors of the San Diego County Water Authority.

In a motion by Director Towne, seconded by Director Drake, and unanimously carried, the Board of Directors re-appointed Director James Murtland as Representative to the Board of Directors of the San Diego County Water Authority for a term of six years by the following roll call vote:

AYES: Quist, Drake, Town, Murtland, Draper
NOES: None.
ABSENT: None.
ABSTAIN: None.

6-G General Manager's Salary Discussion.

The Board of Directors briefly discussed past process of developing salary level and recommended it be included on June FIP Committee.

SECTION 7 – GENERAL MANAGER'S REPORT

7-A General Manager's Oral Report.

General Manager Greg Thomas reported on the following:

- Briefing on Administrative Code Section 1925, "ID Theft Prevention Policy"
- Data Transmission Secure for Credit Cards transactions
- Update to the Water Bonds currently working through Legislative Committee
- Update on San Diego County Water Authority Rate setting, specifically that Rincon is looking at an approximately 7% overall rate increase for FY 2014-15.

SECTION 8 – LEGAL MATTERS

8-A District Counsel Oral Report.

Nothing to report.

ADJOURNMENT

There being no further business before the Board of Directors, the meeting was adjourned by President Quist at 10:25p.m.

APPROVED:



David A. Drake, Vice President

ATTEST:



Thomas Butler, Board Secretary